

November 3, 2023

Weather:

WORLD WEATHER HIGHLIGHTS FOR NOVEMBER 3, 2023

- Another wind and rain storm is coming to Western Europe tonight and Saturday producing excessive wind, heavy rain and localized flooding.
- Waves of rain will continue to keep western Europe wet with local flooding expected eventually
- Central America flooding is expected from northeastern Nicaragua through eastern and northern Honduras to Belize over the next several days with wet weather in other parts of the region
- Additional rain in Argentina overnight has made the past two days of rain ideal for soybean, corn and sunseed planting and winter wheat development in Buenos Aires will benefit as well
- Argentina will see beneficial drying through Tuesday and then some mid- to late-week rain next week in central and eastern parts of the nation maintaining moisture abundance
- Western Argentina is going to need more rain soon
- Southern Brazil heavy rain evolved Thursday and will linger today, but end tonight with dry weather expected through mid-week next week finally helping flood water to abate
 - More rain is expected later next week and into the following weekend, though
- Mato Grosso to northeastern Brazil and some northern center south crop areas will get rain Saturday into Wednesday and then trend drier again; the moisture will offer temporary improvement and provide relief from recent dryness, but much more rain will still be needed
- Limited or erratic rainfall is expected in center west and northeastern Brazil during the November 11-17 period
- Western Australia will continue drier than usual, although it is getting too late for the dryness to have much additional impact on production outside of the far south
- Rain in southeastern Queensland and northeastern New South Wales, Australia will be good for dryland sorghum and cotton planting during the coming week, but more rain will be needed and western production areas will not get much moisture

- Unusual warmth in western Asia and eastern Europe will support new winter crop development in southern areas that have recently received rain
- U.S. warming will improve wheat establishment potentials
- U.S. central and southern Plains will be dry for at least a full week
- Rain is needed in western Kansas, southeastern Colorado and the Texas Panhandle
- Drought in the southeastern U.S. will prevail for at least another ten days
- U.S. harvest weather will be improving over the coming week only erratic precipitation and warmer temperatures

News:

Gulke Group 2024 Winter Palm Springs Conference: This year the conference is set to take place at the Omni Rancho Las Palmas in Rancho Mirage, CA on Feb. 21-23. Current speakers include Drew Lerner on Weather, Roger Wallace on Livestock, Jamie Wasemiller on insurance, Michael Drury on economy and Jerry Gulke.

The conference will start at noon on Wednesday (Feb. 21) and conclude around noon on Friday (Feb. 23). The fee is \$695 for the conference for clients and \$2000 for non-clients. If you have a second person within the household/company wanting to attend the conference the additional fee would be \$550. You can sign up by calling or texting Jamie at 707-365-0601.

GROUP RATES: Rooms for Tuesday-Friday will be \$299 + tax. This rate will be available on days before and after the conference in case you want to extend your stay more than the 3-day conference. We believe there is the yearly antique automobile sale that weekend which is fun to attend. **The cut-off date for accepting reservations into this room block is January 16, 2024. Call the Omni at 1-800-843-6664 to make your room reservations and mention the Gulke Group.**

- **USDA reported private sale of 131,150 metric tons of soybeans for delivery to unknown destinations during the 2023/2024 marketing year.**
- Grain trade sources reported 50,000 mt of US mill grade Wheat was bought by group of South Korean flour mills.
- Grain trade sources noted Egypt's GASC bought a total of 50,500 mt of vegoil oils at their tender today, that total includes 23,000 mt of Soyoil and 27,500 mt of sunflower oil.
- The Buenos Aires Grain Exchange pegged the 23/24 Argentina wheat production at 15.4 mln mt, that is off -800,000 mt from their previous forecast.
- Argentine farmers received a "blessing" of 50-60 millimeters (2-2.4 inches), providing relief to the country's thirsty corn crop and an opportunity for farmers to begin sowing the soybeans campaign, the Rosario grains exchange said. Up to 30 millimeters of rain fell in Argentina's agricultural region over the weekend, on top of some 45.5 millimeters the previous week - a needed boost after a drought battered the country's farming heartland in winter and early spring.

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- The Rosario grain exchange estimated around 25% of the 8.5 mln hectares of 23/24 Corn in Argentina has been planted so far, the forecast for the season's harvest is around 56.0 mln mt.
- Indonesia's domestic palm oil consumption for biodiesel will exceed its consumption for food for the first time in 2023, the Indonesia Palm Oil Association said. Meanwhile, the country's palm oil output is expected to drop at least 1 MMT next year due to impacts from El Niño. Indonesia is expected to fully implement mandatory B35, biodiesel using 35% palm oil mix, in 2024.
- China's PetroChina is proposing to buy up to 8 million barrels a month of Venezuelan crude from state-run oil company PDVSA, according to people familiar with the matter, hoping to resume a trade suspended four years ago by U.S. sanctions. In October, the U.S. Treasury Department temporarily lifted the sanctions, paving the way for Venezuela to resume exporting crude, gas and fuel to its best customers.

Technical:

Market Fundamentals:

Yesterday's Trades: No new trades.

COMMENTS/ADVICE: If there is harvest pressure it is difficult to find in soybeans and even corn there is evidence that domestic buyers are short bought and using basis to buy needs. Corn continues to be a domestic market with soybeans emerging from domestic to more of a global outlook. Wheat struggles.

S. Am weather: Drew Lerner out today with concerns of prolonged problems.

- *Weather adversity in Brazil continues with too much rain in the south and some areas in the north not getting enough. The situation is still somewhat similar to the 2015-16 El Nino event, but there is something else amiss here and it could lead to a more prolonged period of uneven or erratic rainfall in center west and northeastern crop areas as the growing season prevails.*

For The Week: We've mentioned the transition from one commodity to another with wheat, soybeans and corn—in that order of favoritism. Soybeans took the lead with Corn still the weakest as harvest increases. Spreads have been affected and keeping shorts in out of the money sold call options while we wait has been the focus. –see yesterday's comments. **CH down 10**

SF soybeans after an 18 cent move up last Friday, SF backed off and the rally the last two days has Jan breaking above the 50 day average for the first time in six weeks. Doing so successfully on a weekly basis is a victory of sorts and states that S American soybean production has been on the minds of traders for some time and mores the last two days.

- **Soy oil, palm oil and Canola all weaker for the week.**
- **Soy Meal flirting with the first lower close for the week in 3 weeks. Negative bias in process on numerous fronts barring a major up move today. Closing below \$424 is new lows for the week, below last Friday high of \$442.40 and off \$24 for the week—so a significant week.**
- **How soon will media start touting S American need for good crop????? See weather---if Drew is correct—it may affect the whole US soy complex so volatility and risk apparent---meal should retreat but if it does not???**

Wheat Chicago: unchanged

MEATS: all higher for the week with biggest gains coming late week.—We have no hedges.

| Gulke Group Spec Table Buy/Sell Stops | | | | (*New Positions in BOLD) | | | |
|---------------------------------------|-----------|-----------|-----------|--------------------------|----------|-------------------|-----------|
| | 11/2/2023 | | | Today's Stops | | Current Position* | |
| | High | Low | Close | Buy | Sell | Long | Short |
| CZ23 | 477 | 469 1/2 | 470 | 478 | 462 | | 483 |
| CH24 | 492 | 484 1/2 | 485 | 493 | 477 | | 497 |
| SF24 | 1330 | 1315 | 1328 1/4 | 1343 3/4 | 1312 3/4 | 1294 1/2 | |
| SN24 | 1362 3/4 | 1350 | 1360 3/4 | 1374 | 1347 1/2 | 1346 | |
| SMZ23 | 434.5 | 422.5 | 426.3 | 438.5 | 414.2 | 382.4 | |
| BOZ23 | 50.58 | 49.32 | 50.32 | 52.08 | 48.56 | | 60.17 |
| WZ23 | 569 1/2 | 557 1/4 | 565 1/2 | 578 1/4 | 552 3/4 | | 573 1/2 |
| WH24 | 596 1/4 | 585 1/4 | 592 3/4 | 604 1/4 | 581 1/4 | | 602 1/4 |
| KWH24 | 660 1/4 | 646 3/4 | 652 3/4 | 666 3/4 | 638 3/4 | | 682 |
| MWH24 | 733 3/4 | 728 | 729 3/4 | 736 | 723 1/2 | | 747 |
| LCZ23 | 184.850 | 183.925 | 184.675 | 186.100 | 183.250 | 181.575 | |
| LCG24 | 186.500 | 185.275 | 186.425 | 187.850 | 185.000 | 182.450 | |
| LHZ23 | 73.375 | 70.075 | 73.275 | 76.775 | 69.775 | 72.475 | |
| LHG24 | 76.350 | 73.350 | 76.225 | 79.425 | 73.025 | 75.550 | |
| FCF24 | 242.275 | 238.550 | 242.175 | 246.100 | 238.250 | 239.725 | |
| CTZ23 | 80.82 | 79.48 | 79.800 | 81.19 | 78.41 | | 87.23 |
| CTH24 | 82.98 | 81.68 | 82.240 | 83.74 | 80.74 | | 85.37 |
| SBH24 | 27.72 | 27.10 | 27.480 | 28.15 | 26.81 | 27.60 | |
| GCZ23 | 1999.2 | 1986.3 | 1993.10 | 2006.50 | 1979.70 | | 1988.80 |
| NRH24 | 16.31 | 16.06 | 16.09 | 16.38 | 15.81 | | 16.305 |
| DJZ23 | 33934.00 | 33338.00 | 33914 | 34530 | 33298 | 33799 | |
| CLZ23 | 82.83 | 80.22 | 82.46 | 85.27 | 79.65 | | 85.56 |
| NGZ23 | 3.520 | 3.401 | 3.472 | 3.606 | 3.338 | 3.480 | |
| DXZ23 | 106.34 | 105.650 | 106.000 | 106.89 | 105.12 | | 105.430 |
| USZ23 | 112 31/32 | 110 31/32 | 112 16/32 | 114 24/32 | 110 8/32 | | 108 16/32 |

RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THES IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

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